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**LUTHER C. SPEIGHT & COMPANY**

A Corporation of Certified Public Accountants  
and Management Consultants

**OPPORTUNITIES INDUSTRIALIZATION CENTER, INC.**

**FINANCIAL STATEMENTS  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2000**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 04/04/01

OPPORTUNITIES INDUSTRIALIZATION CENTER, INC.  
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# LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Opportunities Industrialization Center

We have audited the accompanying statement of financial position of Opportunities Industrialization Center (O.I.C.) (a Louisiana nonprofit organization) as of September 30, 2000 and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Opportunities Industrialization Center as of September 30, 2000 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2001 on our consideration of Opportunities Industrialization Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Opportunities Industrialization Center taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

  
Luther C. Speight & Company

New Orleans, LA  
January 31, 2001

**OPPORTUNITIES INDUSTRIALIZATION CENTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2000**

**Current Assets**

Cash	\$115,660
Grant Receivable	73,878
Due from Employee	533
Due from Other Programs	<u>171,182</u>

<b>Total Current Assets</b>	<b>361,253</b>
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**Fixed Assets**

Property, Plant and Equipment (Net)	683,785
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**Other Assets**

Deposits	<u>2,550</u>
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<b>TOTAL ASSETS</b>	<b><u>\$ 1,047,588</u></b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	4,195
Salaries Payable	3,781
Rent Deposits	2,140
Due to Other Programs	171,182
Employment Taxes Payable	414
Line of Credit	<u>50,000</u>

<b>Total Liabilities</b>	<b><u>231,712</u></b>
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**Net Assets**

Net Assets - Unrestricted	156,754
Net Assets - Restricted	<u>659,122</u>

<b>Total Net Assets</b>	<b>815,876</b>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,047,588</u></b>
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The accompanying notes are an integral part of these financial statements.

**OPPORTUNITIES INDUSTRIALIZATION CENTER  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2000**

	Restricted	Unrestricted	Total
<b>SUPPORT</b>			
Grant Revenue	\$ 467,523		\$ 467,523
Miscellaneous Income		12,139	12,139
Rental Income		75,765	75,765
Contributions		775	775
	<hr/>	<hr/>	<hr/>
<b>Total Support</b>	467,523	88,679	\$ 556,202
<b>EXPENSES</b>			
Program Services:			
Home Construction '99	1,786	0	1,786
Home Construction '00	31,581	0	31,581
Housing Administration '00	39,759	0	39,759
Bank Teller	25,019	0	25,019
Weatherization	27,183	0	27,183
Welfare-to-Work	57,553	0	57,553
Project Independence/Find Work	89,983	0	89,983
Project NuCoat	85,136	0	85,136
Project NuRoof	13,060	0	13,060
	<hr/>	<hr/>	<hr/>
<b>Total Program Services</b>	371,060	0	371,060
Support Services:			
Management and General	66,424	110,566	176,990
	<hr/>	<hr/>	<hr/>
<b>Total Support Services</b>	66,424	110,566	176,990
	<hr/>	<hr/>	<hr/>
<b>Total Expenses</b>	437,484	110,566	548,050
<b>NET ASSETS</b>			
Change in Net Assets	30,039	(21,887)	8,152
Net Assets, Beginning Of Year	629,083	58,512	687,595
Prior Period Adjustment	0	120,129	120,129
	<hr/>	<hr/>	<hr/>
Net Assets, Beginning Of Year Restated	629,083	178,641	807,724
	<hr/>	<hr/>	<hr/>
Net Assets (Deficit) At End Of Year	<u>\$ 659,122</u>	<u>\$ 156,754</u>	<u>\$ 815,876</u>

The accompanying notes are an integral part of these financial statements.



**OPPORTUNITIES INDUSTRIALIZATION CENTER  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2000**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Change in Net Assets	\$	8,152
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Adjustments to Reconcile Net Revenues over Expenditures  
to net Cash Provided by Operating Activities:

Changes in Operating Assets and Liabilities:

Depreciation Expense		8,940
Grant Receivable		62,759
Other Assets		12,771
Due From Employees		(533)
Accounts Payable & Accrued Expenses		(38,141)
Deferred Revenue		(120,129)
Deposits from Tenants		666
Due to Funding Source		(48,556)
Payroll Taxes Payable		(7,545)
		(121,616)

Net Increase in Cash From Operating Activities		(121,616)
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**CASH FLOW FROM INVESTING ACTIVITIES:**

Property, Plant, and Equipment Purchases		(17,723)
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Prior Period Adjustment to Net Assets		120,129
		120,129

NET INCREASE/(DECREASE) IN CASH		(19,210)
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CASH, BEGINNING OF YEAR		134,870
		134,870

CASH, END OF YEAR	\$	115,660
		115,660

The accompanying notes are an integral part of these financial statements.

OPPORTUNITIES INDUSTRIALIZATION CENTER, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2000

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1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

*General* – Opportunities Industrialization Center (the Organization) is a nonprofit corporation, which is located at 2701 Piety Street, in New Orleans, Louisiana. The Organization provides manpower training services to the unemployed and economically disadvantaged members of the community to afford them the opportunity to acquire job related skills that will make them marketable. The organization also provides affordable and safe quality housing for low to moderate-income individuals through rehabilitation and new construction. The program is primarily funded by federal grants.

*Basis of Accounting* - The financial statements of the Organization are prepared on the accrual basis of accounting. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

*Property and Equipment* - Depreciation is provided over the estimated useful lives, which ranges from 3 to 40 years, of the related assets using primarily the straight-line method.

*Income Taxes* - The Organization has been determined to be tax exempt under Section 501 (c) of the Internal Revenue Code.

*Cash* - Cash is comprised of cash on hand and in banks.

2. GRANT RECEIVABLE

This amount represents outstanding payments due to the agency from its' various funding sources. The balance is detailed as follows:

Housing Administration	\$10,480
Project NuCoat	9,248
Home Construction '00	<u>54,150</u>
Total Grant Receivable	<u>\$73,878</u>

Management does not consider any of the receivables to be uncollectible at September 30, 2000, due to the fact that these are governmental contracts. Therefore, no allowance for doubtful accounts has been provided.



### **3. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following as of September 30, 2000:

	2000
Land	\$ 306,553
Building	395,600
Furniture, Fixtures and Equip.	3,361
Accumulated Depreciation	(21,729)
TOTAL	<u>\$ 683,785</u>

Depreciation expense for the year ended September 30, 2000 was \$8,940.

### **4. LOAN PAYABLE**

The organization has a line of credit with a local financial institution, which had an outstanding balance of \$50,000 at September 30, 2000.

### **5. ECONOMIC DEPENDENCY**

The organization receives a majority of its revenue from funds provided through contracts administered by federal, state, and local government agencies. The grant amounts are appropriated each year by the federal and local governments. If significant budget cuts are made at the federal and/or local level, the amount of the funds the Organization receives could be reduced significantly and have an adverse impact on its operations.

### **6. CONTRIBUTIONS AND DONATIONS**

The organization receives funds from various contributors. The additional funds are used for administrative items for the organization. There were no restrictions noted on the agency's contributions.

### **7. RENTAL INCOME**

The organization receives rental income from properties renovated through their housing programs, which were subsequently sold to them by the City of New Orleans. The income is utilized to maintain the properties and pay utilities for low-income tenants.

### **8. PRIOR PERIOD ADJUSTMENT**

The organization received \$150,000 in discretionary funds from a State agency. The funds were deposited two years prior to this audit period, and were partially recognized as revenue and deferred revenue according to the expenses incurred associated with the funds. The deferred portion was not reduced further in the prior year, as additional expenses were incurred.

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**OPPORTUNITIES INDUSTRIALIZATION CENTER, INC.  
SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2000**

<b>FEDERAL GRANTOR/ PASS THROUGH NAME/PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>FEDERAL EXPENDITURES</b>
U.S. Department of Housing and Urban Development/ Pass Through - Community Development Block Grant		
Project NuCoat	14.218	85,136
Project NuRoof	14.218	13,060
 Pass Through - Home Investment Partnerships Program		
Home '99-Rental Rehabilitation	14.239	1,786
Home '00-Rental Rehabilitation	14.239	31,581
 <b>Total U.S. Department of Housing and Urban Development</b>		<b>\$ 131,563</b>
 U.S. Department of Labor/ Pass Through - Orleans Private Industry Council		
Welfare-to-Work	17.25	57,553
JTPA-Bank Tellers	17.25	25,019
Housing Administration	14.239	39,759
 <b>Total U.S. Department of Labor</b>		<b>122,331</b>
 U.S. Department of Energy/ Pass Through - State of Louisiana Office of Community Service		
Weatherization Assistance for Low-Income Persons	81.042	27,183
 <b>Total U.S. Department of Energy</b>		<b>\$ 27,183</b>
 U.S. Department of Health and Human Services/ Pass Through - State of Louisiana Department of Social Service		
Project Independence/Find Work	93.558	89,983
 <b>Total U.S. Department of Health and Human Services</b>		<b>\$ 89,983</b>
 General and Administration		<b>\$ 66,424</b>
 <b>Total Expenditures of Federal Awards</b>		<b><u>\$ 437,484</u></b>

See Independent Auditor's Report



# LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants  
and Management Consultants

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of  
Opportunities Industrialization Center, Inc.

We have audited the financial statements of Opportunities Industrialization Center, Inc. as of and for the year ended September 30, 2000, and have issued our report thereon dated January 31, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Opportunities Industrialization Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 00-1, 00-2, 00-3, 00-4, 00-5, and 00-6.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Opportunities Industrialization Center, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention related to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect OIC, Inc.'s ability to record, process, summarize and report financial data consistent with

the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 00-1, 00-2, 00-3, 00-4, 00-5, and 00-6.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe that items 00-1, 00-2, 00-3, 00-4, 00-5, and 00-6 as described above are material weaknesses.

This report is intended for the information of the board of directors, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

  
Luther C. Speight & Company

New Orleans, Louisiana  
January 31, 2001





# LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants  
and Management Consultants

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of  
Opportunities Industrialization Center, Inc.

### Compliance

We have audited the compliance of Opportunities Industrialization Center with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2001. Opportunities Industrialization Center's Major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its' major federal program is the responsibility of Opportunities Industrialization Center's management. Our responsibility is to express an opinion on Opportunities Industrialization Center's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material affect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Opportunities Industrialization Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Opportunities Industrialization Center's compliance with those requirements.

As described in items 00-1 and 00-2 in the accompanying schedule of findings and questioned costs, Opportunities Industrialization Center did not comply with requirements regarding activities allowed or unallowed and allowable costs/cost principle that are applicable to its Housing and Home Construction Programs. Compliance with such requirements is necessary, in our opinion, for Opportunities Industrialization Center to comply with requirements applicable to those programs.



In our opinion, except for the noncompliance described in the preceding paragraph, Opportunities Industrialization Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2000.

### Internal Control Over Compliance

The management of Opportunities Industrialization Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Opportunities Industrialization Center's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect OIC's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 00-1, and 00-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that items 00-1 and 00-2 described above are material weaknesses.

This report is intended for the information of the board of directors, management and federal awarding agencies, and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

  
Luther C. Speight & Company  
January 31, 2001

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Opportunities Industrialization Center, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2000**

**Section I – Summary of Auditor's Results**

Financial Statements

An unqualified opinion was issued on the financial statements of the auditee.

Internal Control Over Financial Reporting:

Material weakness(es) identified?        X   yes             no

Reportable condition(s) identified  
not considered to be material weaknesses?        X   yes             no

Noncompliance material to financial statements noted?             yes        X   no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?        X   yes             no

Reportable condition(s) identified  
not considered to be material weaknesses?        X   yes             no

A qualified opinion was issued on compliance for the major programs.

Any audit findings disclosed that are required to be  
Reported in accordance with Circular  
A-133 , Section 510(a)?

  X   yes             no

The major programs for the year ended September 30, 2000 were as follows:

U.S. Department of Housing and Urban Development    14.218, 14.239

**Finding #00-1: HOME CONSTRUCTION '2000**  
**- NONCOMPLIANCE WITH SCOPE OF WORK**

**QUESTIONED COST: \$ -0-**

**CONDITION:**

During our audit, we determined that the Home Construction '2000 grant provided for the rehabilitation of no less than eight units as part of an investor-owned rehab project. However, we noted that expenses incurred during the audit period by the agency for this program were associated with two (2) newly constructed double homes. They were as follows:

- 2305 A and 2305 B Charbonnet Street
- 2307 and 2309 Charbonnet Street

We also noted the commencement of new construction of an additional double at 2115-2117 Jourdan Street subsequent to the audit period in December, 2000.

Subsequent to the construction expenditures, the agency received a contract amendment that allowed for the activities previously described.

**CAUSE:**

The agency performed services different from the initial grant agreement prior to receiving a contract amendment.

**CRITERIA:**

The scope of services included in the Home Construction'2000 contract between the City of New Orleans and OIC, Inc. stated; "provide rehabilitation of no less than eight (8) units as an investor-owned rehab project".

**RECOMMENDATION:**

We recommend that the agency receive approved contract amendments prior to changes in contract services.

**Finding #00-2: HOME CONSTRUCTION '1999**  
**- NONCOMPLIANCE WITH SCOPE OF WORK**

**QUESTIONED COST: \$ -0-**

**CONDITION:**

We noted that the agency used funds from the Home Construction '1999 grant to newly construct three (3) double homes. The contract provided for the rehabilitation of no less than eight (8) units as an investor-owned rehab project.

However, subsequent to the construction work previously mentioned, the agency did secure a contract amendment from the City of New Orleans that allowed for such activities.

**CAUSE:**

The agency performed work that was different from the original contract's scope of services prior to receiving an approved contract amendment.

**CRITERIA:**

The scope of services included in the Home Construction '1999 contract between the City of New Orleans and OIC, Inc. stated; "provide rehabilitation of no less than eight (8) units as an investor-owned rehab project".

**RECOMMENDATION:**

We recommend that the agency secure approved contract amendments prior to changes in contract services.

**Finding #00-3: WEATHERIZATION**  
**- INELIGIBLE PROGRAM PARTICIPANTS**

**QUESTIONED COST: \$884.95**

**CONDITION:**

During our testing of participant eligibility we examined the fifteen (15) households participating in the program and noted that three (3) did not meet the poverty income guidelines, yet services were rendered.

**CAUSE:**

We were unable to determine the cause for inaccurate reporting of income eligibility.

**CRITERIA:**

There is a household income chart used to determine eligible participants according to their monthly income and the number of persons in the household.

**RECOMMENDATION:**

We recommend that income verification be reviewed for accuracy.



**Finding #00-4: WEATHERIZATION**  
**- INADEQUATE DOCUMENTATION**

**QUESTIONED COST: \$ -0-**

**CONDITION:**

We noted that the required Weatherization Breakdown Datasheets were not thoroughly completed for any of the fifteen (15) participants in this program. However, there were invoices on file that detailed the work performed at each site.

We also noted that one (1) of the fifteen (15) participant files did not include the required final inspection report.

**CAUSE:**

Agency personnel did not review and/or implement procedures to complete the required datasheets and/or maintain the required inspection report.

**CRITERIA:**

The Office of Community Services provides specific forms to be used in documenting processes associated with the Weatherization program. Included in these required forms are the Weatherization Breakdown Datasheet and Final Inspection Form.

**RECOMMENDATION:**

We recommend that contract provisions are met by reviewing the required forms for completeness and maintaining them on file.

**Finding #00-5: WELFARE TO WORK**

**– INCOMPLETE TIME AND ATTENDANCE RECORDS**

**QUESTIONED COST: \$ -0-**

**CONDITION:**

We noted that certain timesheets associated with the Welfare To Work program were not completed. There were instances whereby dates were not included as well as sign in/out time.

**CAUSE:**

The agency's personnel associated with this function did not review timesheets and/or implement procedures to complete them appropriately.

**CRITERIA:**

As stipulated in the grant agreement, required reports include completed time and attendance records.

**RECOMMENDATION:**

We recommend that OIC, Inc. implement procedures to ensure that time and attendance record are completed appropriately.

**Finding #00-6: GENERAL PROCEDURES  
- INADEQUATE DOCUMENTATION RELATIVE TO EMPLOYEE  
TIME REPORTING**

**QUESTIONED COST: \$ - 0 -**

**CONDITION:**

During our examination of payroll costs, we noted that agency timesheets were completed by staff members, but they did not reflect supervisory review and/or approval.

**CAUSE:**

Internal control procedures were not implemented fully, as the supervisor's approval line on timesheets was not signed.

**CRITERIA:**

The agency's timesheets include signature lines for both the time reporting employee and supervisor.

**RECOMMENDATION:**

We recommend that the timesheets utilized by the agency be completed.

**OPPORTUNITIES INDUSTRIALIZATION CENTER  
UPDATE OF PRIOR YEAR FINDINGS  
9/30/00**

	<u>Resolved</u>	<u>Unresolved</u>
FINDING #1 Developer's Fees	X	
FINDING #2 Accounts Payable	X	
FINDING #3 Excess Reimbursements	X	
FINDING #4 Accounting Records	X	
FINDING #5 Audit Requirements	X	
FINDING #6 Bidding Process	X	
FINDING #7 Measurable Deliverables		X

*Celebrating*  
**28<sup>th</sup> Anniversary**  
**1972-2000**



Executive Director  
**PHILIP M. BAPTISTE**



**OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF GREATER NEW ORLEANS, INC.**

2701 Piety Street, New Orleans, Louisiana 70126

Phone: 949-4421 • Fax: 945-1961

March 20, 2001

Mr. Daniel G. Kyle  
Legislative Auditor  
State of Louisiana  
1000 North Third Street  
Baton Rouge, LA 70804

Dear Mr. Kyle:

This is in response to the audit of OIC of Greater New Orleans for the period ending September 30, 2000 in regards to audit findings of OIC.

**Finding #00-1: Home Construction 2000**  
**NonCompliance with Scope of Work**

Condition:

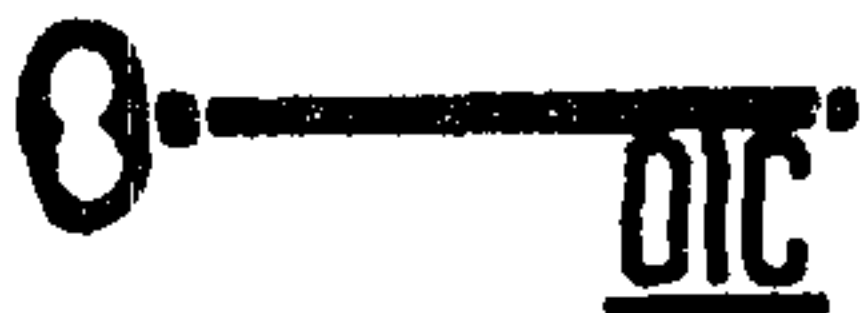
It was determined that the Home Construction 2000 Grant provided rehabilitation of no less than eight (8) units as part of an investor-owned rehab project.

The original contract required rehabilitation of units at 1929-31-33 & 39 Iberville Street, which were uninhabitable due to Code violations; therefore permission was given to do new construction at the sites mentioned.

Corrective Action:

OIC will make sure that the amendments to the contract are in place prior to construction of new properties of rehabilitation as is worded in the contract. Due to long delays the City of New Orleans Division of Housing amended the contract to do new construction of three (3) two bedrooms double units. However, this matter has been corrected by the amendment to the contract dated December 1, 200 by the City of New Orleans and is on file accordingly.

<http://www.PBapt13060@aol.com>  
<http://www.OIC-NewOrleans.com>  
*"An Equal Opportunity Employer"*



**Finding #00-2: Home Construction 1999**  
**Noncompliance with Scope of Work**

Condition:

The scope of services included the Home Construction 2000 between the City of New Orleans and OIC to provide rehabilitation of no less than eight (8) units as an investor-owned rehab which was corrected to include three (3) properties of double homes under new construction.

Corrective Action:

This matter has been corrected by the amendment to the contract dated December 1, 2000 by the City of New Orleans.

**Finding #00-3 Weatherization**  
**Ineligible Program Participants**  
**Questioned Cost: \$884.95**

Condition:

The questioned cost of \$884.95 resulted from the examination of fifteen (15) households participating in the program and noted that three (3) did not meet the poverty income guideline.

Corrective Action:

If the program is funded again, all heads of households will supply income verification, which will be maintained on file.

OIC is in agreement with this finding and will submit the \$884.95 to the Department of Entergy.

**Finding #00-4: Weatherization**  
**Inadequate Documentation**

Condition:

It was noted that the required Weatherization Breakdown Datasheets were not thoroughly completed for any of the fifteen (15) participants in the program. However, only one of the fifteen (15) participants files did not include the required final inspection report.

Corrective Action:

OIC agency personnel will review and/or implement procedure to complete the required Datasheets and/or maintain the required inspection report.

OIC will adhere to provide specific forms to be used in documenting processes associated with the Weatherization Program.

This program was discontinued by the State in 1998 and 1999 and is not in existing at OIC. In the event the program is re-instituted we will adhere to the criteria thereof.





**Finding #00-5: Welfare to Work  
Incomplete Time and Attendance Records**

Condition:

We noted that certain timesheets associated with the Welfare To Work program were not completed. There were instances whereby dates were not included as well as sign in/out time.

The agency's personnel associated with this function did not review timesheets and/or implement procedures to complete them appropriately.

Corrective Action:

We will adhere to the timesheets of participants in that the Counselor on a daily basis reviews them.

**Finding #00-6: General Procedures  
Inadequate Documentation Relative To Employee Time Reporting**

Condition:

We noted that during the examination of payroll cost the agency time sheet were completed by staff members, but they did not reflect supervisory review and/or approval.

Internal control procedures were not implemented fully, as the supervisor's approval line on timesheets was not signed.

Corrective Action:

OIC will maintain and have instituted a new timesheet on all employees that is reviewed and signed by the Executive Director as the supervisor person thereof.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Philip M. Baptiste', with a large, stylized flourish at the end.

Philip M. Baptiste  
Executive Director

PMB:hsc